

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is entered into on this 6th day of November, 2015 (the “Effective Date”) by and between Stericycle Inc. (“Stericycle”) and the North Carolina Department of Environmental Quality, Division of Air Quality (“DAQ”), collectively the “Parties.”

Recitals

A. On June 30, 2015, DAQ issued to Stericycle Air Quality Permit No. 05896T23 (“Permit”).

B. On August 4, 2015, Stericycle filed a Petition for Contested Case Hearing in the Office of Administrative Hearings, No. 15 EHR 05614 to appeal certain terms, conditions and limitations contained in the Permit.

C. The Parties held an informal settlement conference on September 8, 2015, at which the Parties reached a settlement in principal of this matter. Pursuant to this settlement in principal, Stericycle agreed to abandon its challenge regarding certain provisions in the Permit, including its challenge regarding the frequency of Mercury testing required by the Permit, and DAQ agreed to modify certain provisions of the Permit pertaining to operating parameters, having concluded that such modifications are appropriate and in accordance with applicable regulations.

D. On September 10, 2015 the Parties filed a Joint Motion to Stay Proceedings with OAH, requesting that the Court stay all proceedings in this matter through October 7, 2015, and stating that the parties had reached a settlement in principal.

E. On September 15, 2015, the Court issued an order staying the proceedings in this matter until October 7, 2015.

Agreement

NOW THEREFORE, in consideration of the mutual promises described in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

1. **Recitals Incorporated.** The recitals are incorporated into this Agreement by reference as if fully set forth herein.

2. **Issuance of the Revised Permit.** Within five (5) days of execution of this Agreement, DAQ shall issue a revised permit (the “Revised Permit”) which shall conform to the draft revised permit attached as Exhibit A to this Agreement.

3. **Dismissal of the Petition.** Within five (5) days of receiving the Revised Permit pursuant to paragraph 2 above, Stericycle shall withdraw/dismiss the Petition with prejudice.

4. **Agreement Not to Contest Revised Permit:** Stericycle, on behalf of itself and its subsidiaries, affiliates, predecessors, successors and assigns, hereby agrees not to contest the

terms and conditions in the Revised Permit within the thirty-day limitations period provided for doing so under North Carolina law.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first indicated above.

NORTH CAROLINA DEPARTMENT
ENVIRONMENTAL QUALITY,
DIVISION OF AIR QUALITY

By: Shirla Cholman
Director, DAQ

Date: 11/6/2015

STERICYCLE, INC.

By: C. Alan Biegel
Plant Manager

Date: 10-26-2015